

CONSOL Energy Inc
Form 10-Q
May 05, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended March 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-14901

CONSOL Energy Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

1000 CONSOL Energy Drive

Canonsburg, PA 15317-6506

(724) 485-4000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class

Shares outstanding as of April 17, 2015

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Common stock, \$0.01 par value

228,822,133

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GLOSSARY OF CERTAIN OIL AND GAS MEASUREMENT TERMS

The following are abbreviations of certain measurement terms commonly used in the oil and gas industry and included within this Form 10-Q:

Bbl - One stock tank barrel, or 42 U.S. gallons liquid volume, used in reference to oil or other liquid hydrocarbons.

Bcf - One billion cubic feet of natural gas.

Bcfe - One billion cubic feet of natural gas equivalents, with one barrel of oil being equivalent to 6,000 cubic feet of gas.

Btu - One British thermal unit.

Mbbls - One thousand barrels of oil or other liquid hydrocarbons.

Mcf - One thousand cubic feet of natural gas.

Mcfe - One thousand cubic feet of natural gas equivalents, with one barrel of oil being equivalent to 6,000 cubic feet of gas.

MMbtu - One million British Thermal units.

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MMcfe - One million cubic feet of natural gas equivalents, with one barrel of oil being equivalent to 6,000 cubic feet of gas.

NGL - Natural gas liquids.

Tcfe - One trillion cubic feet of natural gas equivalents, with one barrel of oil being equivalent to 6,000 cubic feet of gas.

PART I : FINANCIAL INFORMATION

ITEM 1. CONDENSED FINANCIAL STATEMENTS

CONSOL ENERGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands, except per share data)

(Unaudited)

	Three Months Ended	
	March 31,	
	2015	2014
Revenues and Other Income:		
Natural Gas, NGLs and Oil Sales	\$254,580	\$266,298
Unrealized Gain on Commodity Derivative Instruments	60,004	—
Coal Sales	496,666	534,681
Other Outside Sales	13,130	69,287
Gas Royalty Interests and Purchased Gas Sales	18,456	30,219
Freight-Outside Coal	6,525	9,945
Miscellaneous Other Income	38,066	55,054
Gain on Sale of Assets	2,165	3,669
Total Revenue and Other Income	889,592	969,153
Costs and Expenses:		
Exploration and Production Costs		
Lease Operating Expense	31,612	29,243
Transportation, Gathering and Compression	78,744	53,782
Production, Ad Valorem, and Other Fees	9,192	10,187
Direct Administrative and Selling	14,667	11,653
Depreciation, Depletion and Amortization	85,104	71,729
Exploration and Production Related Other Costs	2,040	3,099
Production Royalty Interests and Purchased Gas Costs	16,127	26,096
Other Corporate Expenses	19,096	26,164
General and Administrative	15,142	17,364
Total Exploration and Production Costs	271,724	249,317
Coal Costs		
Operating and Other Costs	311,583	333,810
Royalties and Production Taxes	22,317	26,488
Direct Administrative and Selling	8,983	11,542
Depreciation, Depletion and Amortization	65,483	56,866
Freight Expense	6,525	9,945
General and Administrative Costs	7,408	12,709
Other Corporate Expenses	8,895	19,295
Total Coal Costs	431,194	470,655
Other Costs		
Miscellaneous Operating Expense	10,384	67,340
General and Administrative Costs	—	210
Depreciation, Depletion and Amortization	7	521
Loss on Debt Extinguishment	67,734	—
Interest Expense	55,122	50,931
Total Other Costs	133,247	119,002
Total Costs And Expenses	836,165	838,974
Earnings Before Income Tax	53,427	130,179
Income Taxes	(25,603) 8,489

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Income From Continuing Operations	79,030	121,690	
Loss From Discontinued Operations, net	—	(5,687)
Net Income	\$79,030	\$116,003	

The accompanying notes are an integral part of these financial statements.

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CONSOL ENERGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(CONTINUED)

(Dollars in thousands, except per share data) (Unaudited)	Three Months Ended March 31,	
	2015	2014
Earnings Per Share		
Basic		
Income from Continuing Operations	\$0.34	\$0.53
Loss from Discontinued Operations	—	(0.02)
Total Basic Earnings Per Share	\$0.34	\$0.51
Dilutive		
Income from Continuing Operations	\$0.34	\$0.53
Loss from Discontinued Operations	—	(0.03)
Total Dilutive Earnings Per Share	\$0.34	\$0.50
Dividends Paid Per Share	\$0.0625	\$0.0625

CONSOL ENERGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Dollars in thousands) (Unaudited)	Three Months Ended March 31,	
	2015	2014